

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
D.T.E. 02-55
Responses to DOER'S First Set Of Information Requests

Request No. DOER-1-14:

The Company states, on page 58 of 152 (page 52) of the Department approved 2000 Integrated Resource Plan; Exhibit FGE-DBD-4; (the "Plan") "The Company continues to utilize this same RFP process on a semiannual basis to procure additional liquid and vapor supplies. The process includes evaluation of resources in three phases as follows: 1) Drafting and issuance of an RFP and receipt of supplier bids; 2) selection of a short list of suppliers from the bids submitted; and 3) negotiation with listed suppliers and selection of winning proposals." Please provide all of the information elicited and maintained by the Company during these phases, prior to making the decision on the combination of Zone 6 to 6 Tennessee capacity and the Sprague gas supply.

Response:

The decision to replace our TGP transportation capacity contract 252 between Niagara and Fitchburg with TGP contract 38927 with capacity between Dracut and Fitchburg was made about 8 months before the decision to purchase supply for that contract, with Sprague.

The decision process used which ultimately lead to our contracting with Sprague for supplies was in accordance with the process described in our IRP that was approved by the DTE. That process was as follows:

In the spring of 2001 our department drafted and issued RFP's for Fitchburg's gas supply needs during the period November 2002 through October 2003. These RFP's were issued to more than half a dozen suppliers. There were two RFP's. One for supplies at the well head and one for supplies in the market area. See **Attachment DOER 1 – 14 A**

We received responses from a number of suppliers. At that time we also began evaluating the proposals and reviewing the companies' capabilities as suppliers. A matrix of the potential candidates or short list was developed. See **Attachment DOER 1 – 14 B**. In addition to negotiating with suppliers on our short list we also contacted additional parties that we knew were active in the Dracut market. See **Attachment DOER 1 – 14 C**

In accordance with the RFP process we conducted informal telephonic discussions to clarify and improve bids. As a result of this process, several flexible, diverse and competitive supply contracts were entered into. One was the supply provided by Sprague at Dracut

Person Responsible: David B. Doskocil

Fitchburg Gas and Electric Light Company
Request for Proposals
2002-2003
Tennessee Gas Pipeline Zone 0 and Zone 1 FOM Supply

Please forward to the appropriate person in your organization.

Background

Fitchburg Gas and Electric Light Company (Fitchburg) is located in north central Massachusetts and serves approximately 15,000 gas and 25,000 electric customers. Fitchburg is a wholly owned subsidiary of Unitil Corporation, and has long-term entitlements to natural gas transportation on the Tennessee Gas Pipeline system.

Supply Requirements

Fitchburg is interested in receiving proposals for a gulf area supply delivered to TGP in Zones 0 and 1. The supply requirements are as follows.

- *Supply-* Fitchburg requires a firm warranty primary supply arrangement that obligates the supplier to deliver with specific remedies for nonperformance such as the Gas Industry Standards Board's Cover Standard. In case of an OFO we request that the gas be routed through a primary meter, which will be agreed upon prior to contract inception. Fitchburg has a number of primary points and capacities that we would prefer to use. Attached is a list of primary points and quantities for each meter location.
- *Term-* A supply arrangement should be for the term of November 2002 through, October 2003.
- *Quantity-* In the Months November 2002 through March 2003, this supply arrangement should provide a daily base load quantity of 4,000 Dths. Months April 2003 through October 2003 a daily base load quantity up to 2,600 Dths. Both will include all necessary fuel for delivery from the points of receipt to Fitchburg's city gate in Zone 6 or to our storage location in Zone 4. For the term of the contract Fitchburg Gas and Electric Light company would also like a swing supply of 0 to 3,000 Dths plus all necessary fuel for delivery from the points of receipt to Fitchburg's city gate.
- *Price-* Fitchburg prefers pricing based on NYMEX or Gas Daily. Fitchburg would also like the option to fix the price from one month or more up to the remaining portion of the contract.

- *Receipt/Delivery Points*- Please refer to the Receipt Point Summary for receipt and delivery points.

Proposal Requirements

Content: Respondent must also provide the following information:

- A detailed description of the proposed supply arrangement; GISB preferred, and the supply and transportation resources available to the proposal sponsor to fulfill its supply obligation,
- The specific terms and conditions of the proposed supply warranty arrangement, with Force Majeure language.
- Background information on the proposal sponsor including company history and experience/capabilities providing similar gas supply arrangements,
- A copy of the company's 2001 Annual Report to Stockholders or other documents that characterize the proposal sponsor's financial condition,
- Any additional information that the proposing entity believes pertinent to the proposal(s) being submitted.

Conditions:

This is not an offer to contract but a request for proposals. Fitchburg retains the right to suspend or cancel this RFP, and to revise or amend its terms. Fitchburg, in its sole discretion, reserves the right to reject any and all proposals received or to accept any proposal received. Fitchburg is under no obligation to accept the lowest cost proposal or to return any proposals or materials submitted in response to this RFP.

Submission Instructions:

Proposals must be received no later than 4:30 P.M. EDT **April 26th, 2002**. Proposals may be submitted by either fax or e-mail, but Fitchburg strongly recommends that all proposals be followed up with a phone call in order to confirm receipt. All inquiries regarding this RFP should be directed to:

Mr. Richard MacInnis
Energy Analyst
Unitil Service Corp.
6 Liberty Lane West
Hampton, NH 03842
Telephone: (603) 773-6444
Fax: (603) 773-6644
E-mail: macinnis@unitil.com

Receipt/ Delivery Point Summary

meter		Loc Name	Leg	Zone	Billable Qty	
11306	36814	AGUA DULCE (DUAL 2 6081) (Bi 2 0679)	100	0	481	R
12190	99684	SHIP SHOAL 157A	500	0L	605	R
12328	142126	JOHNSON BAYOU	800	0L	294	R
						R
1231	tgp001231	BRAZOS BLOCK 133B	100	0	489	R
11148	29448	WEST CAMERON BLOCK 173 C 2 DEHYDRATION	800	0L	362	R
12020	45427	FALFURRIAS TRANSPORT	100	0	84	R
12036	48874	BEAR CREEK TRANSPORT (Bi 2 0711)	100	1	31	R
12049	48515	EUGENE ISLAND 325 A	500	0L	760	R
						R
10723	12247	KILN MISS EXCH (Bi 2 0383)	500	0L	761	R
12271	141243	KATY INTERCONNECT (Bi 2 0787)	100	0	603	R
12383	218603	EGAN STORAGE (Bi 20822)	800	0L	362	R
11306	36814	AGUA DULCE (DUAL 2 6081) (Bi 2 0679)	100	0	795	R
12328	142126	JOHNSON BAYOU	800	0L	1483	R
20112	11556	FITCHBURG MASSACHUSETTS	200	6	7110	D

Supply RFP

Notice of Intent to Bid

Company Name: _____

Address: _____

Contact: _____

Title: _____

Telephone Number: _____

Fax Number: _____

E-mail Address: _____

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I intend to bid. _____

I do not intend to bid. _____

=====

Please return this NOTICE OF INTENT TO BID (by e-mail or fax) no later than
5:00 PM EDT on April 19th, 2002 to:

Mr. Richard MacInnis
Energy Analyst
Unitil Service Corp.
6 Liberty Lane West
Hampton, NH 03842-1720
Telephone: (603) 773-6444
Facsimile: (603) 773-6644
E-mail: MacInnis@unitil.com

**Fitchburg Gas and Electric Light Company
Request for Proposals
Market Area Gas Supply
Winter 2002 - 2003**

Please forward to the appropriate person in your organization.

Background

Fitchburg Gas and Electric Light Company (Fitchburg) is located in north central Massachusetts and serves approximately 15,000 gas and 25,000 electric customers. Fitchburg is a wholly owned subsidiary of Unitil Corporation. Fitchburg has long-term entitlements to natural gas transportation on the Tennessee Gas Pipeline system.

Supply Requirements

Fitchburg is interested in receiving proposals for a market area supply delivered to TGP in zones 4, or 6. The supply requirements are as follows.

- *Supply-* Fitchburg requires a firm warranty supply arrangement that obligates the supplier to deliver with specific remedies for nonperformance such as those set forth by the Gas Industry Standards Board. In case of an OFO we request that the gas be routed through our primary meters.
- *Term-* This supply arrangement would commence on November 1, 2002 and would expire on April 30, 2003. Proposals for November through March terms will also be considered.
- *Quantity/Delivery-* This supply arrangement should provide a maximum daily quantity (MDQ) of up to 2,500 Dth plus all necessary fuel for delivery from the point of receipt to our city gate in zone 6.
- *Price-* Fitchburg prefers pricing that is based on a published index such as NYMEX or Gas Daily in Tennessee Zone 0 or Zone 1. Plus basis.
- *Nominating Flexibility-* Fitchburg prefers the flexibility to nominate from 0% to 100% of the MDQ at the start of each month, with intra day flexibility.

Proposal Requirements

Content: Each respondent must also provide the following information:

- A detailed description of the proposed supply arrangement; GISB preferred, and the supply and transportation resources available to the proposal sponsor to fulfill its supply obligation,
- The specific terms and conditions of the proposed supply warranty arrangement,
- Background information on the proposal sponsor including company history and experience/capabilities providing similar gas supply arrangements,
- A copy of the company's 2001 Annual Report to Stockholders or other documents that characterize the proposal sponsor's financial condition,
- Any additional information that the proposing entity believes pertinent to the proposal(s) being submitted.

Conditions:

This is not an offer to contract but a request for proposals. Fitchburg retains the right to suspend or cancel this RFP, and to revise or amend its terms. Fitchburg, in its sole discretion, reserves the right to reject any and all proposals received or to accept any proposal received in its entirety or any part thereof. Fitchburg is under no obligation to accept the lowest cost proposal or to return any proposals or materials submitted in response to this RFP.

Submission Instructions:

Proposals must be received no later than 4:30 P.M. EDT **April 26th 2002**. Proposals may be submitted by either fax or e-mail, but Fitchburg strongly recommends that all proposals be followed up with a phone call in order to confirm receipt. All inquiries regarding this RFP should be directed to:

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E-mail: macinnis@unitil.com**

Receipt Point Summary

Location Code	Meter Number	Meter Name	Meter Quantity	Meter Zone	Meter Leg
19265	020527	Rose Lake	409	4	300
42657	020578	Andrew Settlement	496	4	300
125642	070018	TGP	1630	4	300
274135	12538	Dracut receipt	475	6	200

Supply RFP

Notice of Intent to Bid

Company Name: _____

Address: _____

Contact: _____

Title: _____

Telephone Number: _____

Fax Number: _____

E-mail Address: _____

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I intend to bid. _____

I do not intend to bid. _____

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